

## Cut your expenses

### Description

Cutting your expenses can be a great way to meet your financial goals faster. The less that you spend, the more you can dedicate towards saving or reducing debt.

But living a rewarding financial life is not about suffering through a Spartan existence. So wise cost-cutting, not simply taking a chainsaw to your spending, is the name of the game.

### Why do this?

Money that you *don't* spend can go towards saving for a better retirement, great vacations, a new car, or a child's university. Or it can help you pay off debt that's weighing you and your finances down.

For that reason, it makes sense to take a close look at all of your spending and see where you can cut back.

### How can you get started?

Since you have ideally [organized your finances](#) and [created a budget](#), you should be able to easily review your spending to look for places where you can cut back.

The resources below will help you get in depth on cutting expenses. But here are a few quick tips to help you get started:

- **Recurring expenses you don't need.** Since recurring expenses hit you over and over again, they can be a great place to start. Services that you rarely use (or have completely forgotten about!) are good targets, as are similar services that you don't *need* in multiples. For example, do you really need two streaming services at the same time? Or could you use one for a while and switch when you're ready?
- **Negotiate or find a better deal.** A few phone calls can do wonders. Call your mobile phone carrier to see if they have any promotions. Perhaps mention the new-customer deals available from competitors. You can call your [credit card](#) company to ask about having an annual fee reduced or removed. Or consider shopping around for better deals.
- **Consider what's important to you.** Living well financially doesn't mean cutting all your spending to the bone. If you *love* eating out, that's a worthwhile place to spend. But to balance that, cut back spending in places where you don't care as much. Make coffee at home, find a cheaper hair cut, cut your cable or satellite TV service, switch from Zehrs or Safeway to Walmart or No Frills, etc.

## How will you know when you're done?

There's really no finish line for cutting expenses, and it's something you should revisit on a regular basis. For the purposes of moving through the checklist though, you can consider this done when you're left with mainly expenses that are either necessary (like car insurance or groceries) or are "extra", but among a select few things that are particularly enjoyable to you (like a music streaming service, regular coffee at Starbucks, or weekly fresh flowers for your kitchen).

## Do you need to wait before moving on?

You do not necessarily need to finish this before moving on to the next point (cutting high-interest debt). However, cutting out some expenses can seriously help when paying down debt, or, if you don't have high-interest debt, on building your emergency fund. So it's worth it to spend some time on this now.

## Resources to help you

Coming soon!

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